IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	James I. Mahaney et al.
Serial No.:	10/774,058
Filed:	February 6, 2004
Examiner:	Samica L. Norman
Art Unit:	3693
Confirmation No.:	4821
Title:	***Method for Maximizing Retirement Income Using Financial Bridge Products and Deferred Social Security Income***

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Reply Brief

Appellants respectfully submit this Reply Brief under 37 C.F.R. § 41.41 in response to the Examiner's Answer sent June 28, 2011.

Appellants filed an Appeal Brief on May 4, 2011, explaining why the final rejection of Claim 50 is improper and should be reversed by the Board. As explained in more detail below, the Examiner's final rejection of Claim 50 cannot be properly maintained. Appellants respectfully request the Board of Patent Appeals and Interferences (the "Board") to reverse the final rejection and instruct the Examiner to issue a Notice of Allowance with respect to Claim 50. In response to the Examiner's Answer, Appellants respectfully submit herewith their brief in reply.

Real Party In Interest

This application is currently owned by The Prudential Insurance Company of America as indicated by an assignment recorded on June 3, 2005, in the Assignment Records of the United States Patent and Trademark Office at Reel 016113, Frame 0296.

Related Appeals and Interferences

There are no known appeals or interferences which will directly affect or be directly affected by or have a bearing on the Board's decision regarding this appeal.

Status of Claims

Claim 50 is pending and has been rejected at least twice. In particular, Claim 50 was rejected in the Office Action sent April 13, 2010 and again in the Final Office Action sent November 15, 2010. Appellants present Claim 50 for Appeal. Appendix A of Appellants' Appeal Brief shows Claim 50 involved in this appeal.

Status of Amendments

All amendments presented by the Appellants have been entered by the Examiner.

Grounds of Rejection to be Reviewed on Appeal

I. The Examiner has failed to establish *prima facie* obviousness for calculating retirement income for a husband and wife, in part, from a bridge annuity for the husband beginning at an expected retirement age for the husband and ending at a deferred Social Security age for the husband, as recited in Claim 50.

II. The Examiner has failed to establish *prima facie* obviousness for calculating retirement income for a husband and wife from two different bridge annuities, one of which is a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife, as recited in Claim 50.

III. The Examiner has failed to establish *prima facie* obviousness for comparing projected retirement income for a husband and wife in a bridge scenario to projected retirement income for the husband and the wife using an alternative funding approach, as recited in Claim 50.

For the convenience of the Board, Appellants attached copies of the cited references (*Fay* and *Orth*) in Appendix B of Appellants' Appeal Brief.

Argument

The Examiner's Answer consists of substantially similar arguments to those presented in the Final Office Action, along with a section responding to Appellants' positions presented in the Appeal Brief. The arguments of the Examiner's Answer have already been addressed in the Appeal Brief. For the convenience of the Board, however, Appellants directly address the Examiner's Answer below.

I. There is no *prima facie* obviousness for calculating retirement income for a husband and wife, in part, from a bridge annuity ending at a deferred Social Security age for the husband

The rejection of Claim 50 under 35 U.S.C. § 103(a) contains clear legal and factual deficiencies because the Final Office Action fails to establish *prima facie* obviousness for each and every limitation of Claim 50. For example, the proposed *Fay-Orth* combination fails to disclose,

> "calculating a projected retirement income for the husband and the wife ***in a bridge scenario***, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from:
>
> a bridge annuity for the husband beginning at an expected retirement age for the husband and ***ending at a deferred Social Security age for the husband***;"

as recited in Claim 50. The Examiner's Answer asserts that paragraphs 27 and 36 of Fay disclose "that the annuity payout begins at retirement age and continues to payout ***until*** a defined period which is defined by the user." Examiner's Answer at 7 (emphasis added). The Examiner appears to maintain[1] that the annuity in *Fay* ***necessarily ends*** upon expiration of a number of years defined by the user, but this is not correct. Rather, the cited portions of *Fay* disclose "an annuity providing a plurality of income payments . . . for a period ***not less than*** a defined certain number of years." *Fay*, ¶27. Merely defining ***a minimum*** number of years for an annuity does not define if or when the annuity will actually ***end*** after the minimum number of years elapse. Thus, the cited portion of *Fay* cannot establish *prima facie* obviousness for a defined ***ending date*** for the annuity, much less "a bridge annuity for

[1] The Final Office Action also characterized *Fay* as allegedly disclosing that the "user can select ***the defined ending age*** as that of a deferred Social Security age."

the husband . . . ***ending at a deferred Social Security age*** for the husband." Accordingly, the portions of *Fay* newly cited in the Final Office Action fail to disclose a ***bridge annuity*** for the husband that ends "***at a deferred Social Security age for the husband***," as recited in Claim 50.

Notably, the Examiner's Answer does not address Appellants' remarks in their Appeal Brief concerning the failure of *Orth* to cure the deficiency of *Fay* regarding bridge annuities "ending at a deferred Social Security age." Because neither *Fay* nor *Orth* discloses, teaches, or suggests bridge annuities "ending at a deferred Social Security age," the proposed combination of *Fay* with *Orth* cannot establish *prima facie* obviousness for at least this limitation.

For at least these reasons, the Examiner's rejection under 35 U.S.C. § 103(a) of Claim 50 contains legal and factual deficiencies and should be reversed by the Board.

II. There is no *prima facie* obviousness for calculating retirement income for a husband and wife from two different bridge annuities, one of which is a bridge annuity for the wife ending at a deferred Social Security age for the wife

In addition to the reasons above, Claim 50 is allowable at least because the proposed *Fay-Orth* combination fails to disclose "calculating a projected retirement income for the husband and the wife in a bridge scenario, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from . . . a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife," as recited in Claim 50.

The Examiner has yet to identify any portion of the cited references allegedly disclosing that projected retirement income is calculated from ***two different bridge annuities***. Rather, the Examiner has merely pointed to an equation in *Fay* for calculating a defined premium payment amount from ***a single annuity*** as of a single retirement date for that annuity. Fay, ¶16. Merely calculating retirement income from ***a single annuity*** to be paid as of a retirement date ***in the singular*** fails to disclose or suggest "calculating a projected retirement income for the husband and the wife ***in a bridge scenario*** including an estimate of yearly inflation-adjusted after-tax income from" ***two different*** bridge annuities, as recited in Claim 50.

In addition, the Examiner has yet to identify any portion of the cited references allegedly disclosing a calculation that includes an estimate of "***yearly inflation-adjusted after-tax*** income from" ***two different bridge annuities***. Far from an explicit, articulated reasoning with some rational underpinning, the Examiner simply offers mere conclusory speculation that "it would have been obvious to one of ordinary skill in the art at the time the invention was made, based upon the teaching(s) of *Fay*, that the guaranteed amount would already reflect any taxes." *See, e.g., Examiner's Answer* at 8. According to the controlling case law, rules, and guidelines, this type of conclusory hindsight, using Appellants' claims as a roadmap, is impermissible. *See KSR Int'l Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 1740-41 (2007) (citation omitted); M.P.E.P. § 2142; Examination Guidelines, 72 Fed. Reg. at 57528-29. Moreover, the Examiner's conclusory statement fails to even address the requirement that the estimation must be for ***yearly inflation-adjusted*** income.

For at least these additional reasons, the Examiner's rejection under 35 U.S.C. § 103(a) of Claim 50 contains legal and factual deficiencies and should be reversed by the Board.

III. There is no *prima facie* obviousness for comparing projected retirement income for a husband and the wife in a bridge scenario to projected retirement income for the husband and the wife using an alternative funding approach

In addition to the reasons above, Claim 50 is allowable at least because the proposed *Fay-Orth* combination fails to disclose "calculating a projected retirement income for the husband and the wife using an ***alternative funding approach***" and "comparing the calculated projected retirement income for the husband and the wife in the bridge scenario to the projected retirement income for the husband and the wife using the alternative funding approach," as recited in Claim 50. The Examiner asserts paragraph 43 of *Fay* allegedly discloses comparing calculated projected retirement income in a bridge scenario to an alternative approach. As discussed above, however, at least because *Fay* fails to disclose, teach, or suggest in paragraph 43 or elsewhere the calculation of retirement income for the husband and wife in a ***bridge scenario***, *Fay* cannot disclose, teach, or suggest a comparison involving such a calculation.

Furthermore, Claim 50 does not recite a comparison involving an alternate way to fund bridge annuities of a husband and wife, as the Examiner appears to suggest. Rather,

Claim 50 recites a comparison involving projected retirement income from a ***bridge scenario*** and projected retirement income from an ***alternative funding approach*** (*i.e.*, a retirement funding approach other than a bridge scenario). Accordingly, the Examiner's argument that *Fay* discloses ***different payment options*** for an annuity is of no moment because even if the Examiner's characterization of *Fay* was correct, merely comparing different payment options for an annuity does not disclose, teach, or suggest, "comparing the calculated projected retirement income for the husband and the wife in the bridge scenario to the projected retirement income for the husband and the wife using the alternative funding approach," as recited in Claim 50.

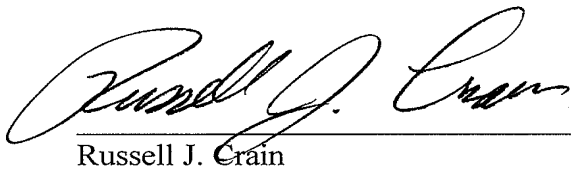
For at least any one of the above reasons, the proposed *Fay-Ortho* combination does not disclose, and the Examiner does not allege that the proposed *Fay-Ortho* combination discloses, each and every feature of Claim 50. Thus, the Examiner's rejection of Claim 50 is improper and should be reversed.

Conclusion

Appellants have demonstrated that the Examiner failed to establish that Claim 50 is anticipated, obvious, or indefinite. Therefore, Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the rejection of Claim 50 and instruct the Examiner to issue a notice of allowance of Claim 50.

Appellants believe no fee is due. However, if this is not the case, the Commissioner is hereby authorized to charge any required fee or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,
Baker Botts L.L.P.
Attorneys for Applicants



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Dated: August 22, 2011

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